Developing Policies and Procedures for Volunteer Organizations

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Factsheet

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As demands for accountability and transparency in volunteer organizations increase, it is more important than ever that not-for-profit organizations develop policies and procedures that demonstrate they are acting with due diligence, as required.

The process of developing policies and procedures is an important duty for a Board of Directors and should not be delegated to a single person or staff. The task is not easy nor quickly done but once completed, policies and procedures are an effective tool for the future.

WHY AN ORGANIZATION NEEDS POLICIES

Policies are written statements that tell people "what to do". Polices:

- provide continuity by ensuring consistency in the life of the organization
- define the organization's values and goals
- provide principles for members, staff and volunteers so that everyone understands responsibilities and limitations
- act as a framework for decision making and to guide actions
- provide boundaries by clarifying communication lines and ensuring accountability
- are a mechanism where the board can delegate authority and maintain control
- document decisions so they can be easily recalled
- demonstrate that the organization is actively managing its risk. It is best to plan before something occurs and to prevent it from happening again.
- reduce upheaval when people change or leave the organization
- provide valuable orientation and training for volunteers, members and staff
- demonstrate credibility to the public and members

WHAT ARE PROCEDURES?

When a policy is identified, procedures are written to describe how it will be applied or implemented. Procedures are a set of written instructions that describe the recommended steps for a particular policy. Procedures describe the how, when and by whom. They:

- explain how to apply the rules and regulations
- identify the activities to support the policy
- define the course of action arising from policy decisions
- outline details for implementing the policy
- describe the consequences that will arise from non-compliance

STEPS TO DEVELOPING POLICES AND PROCEDURES

Although it may seem like an overwhelming task, writing polices is simply putting on paper your existing practices and approaches.

Before starting, appoint a special committee to concentrate on the drafting of a policies and procedures manual. They can seek input from the people who will be expected to follow the policies and consult with the Board as needed.

Getting started

- Gather the documents and information about how things are done currently. This includes constitution, bylaws, any legislation that affects the organization, existing contacts and obligations, and current information and motions from past minutes.

- Define the organization's mission with a clear statement of why it exists.

- Governance structure – assess how the Board,

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committees, volunteers and staff work together and interact. This helps determine the policies that are needed.

- Define who does what. It helps clarify who is responsible and what is needed.
- Define issues and challenges. This helps prioritize the policies that need to be developed.

Establish format

- Create a standard format. A basic template is included at the end of this Factsheet and the internet can provide other versions.
- Placing the documents into a binder is a convenient way of sorting, updating and retrieving information. The size of organization will determine whether a single or multiple manuals are needed.
- Identify the policy categories. Some examples: Organizational, Administrative, Human Resources, Financial Management, Property and Facilities.
- Include indexes to help find information. Create a master index if more than one binder is used.
- Consider how to number the information. Each policy needs to have a unique identifier and to be assigned a category.

Develop a template

- Set appropriate margins to ensure consistency and easy reading. For documents placed in binders, make the left-hand margin wider.
- The page layout should include the policy statement, procedures related to it and any references to legislation, constitution, other polices and procedures.
- Select an easy-to read font, for example Ariel or Times New Roman, in 11 or 12 pt. size.
- Make titles larger and bolded. They do not need to be the same font as the text.
- Maintain a consistent format for dates throughout all documents.

Writing style

- Be direct, use active verbs and the present tense. For example: "The Board reviews the policy" rather than "The policy will be reviewed by the Board."
- Use position titles not an individual's name.
- Use capitals for proper nouns with consistency i.e. position names.
- Write in plain, clear language in correct grammar.
- Be concise and make sure it is understandable.
- Use abbreviations only after the first reference has been written out in full with its acronym in brackets.
- Spell out numbers one to nine, use numerals for 10 and over.
- When drafting procedures provide clear, step by step instructions that specify the actions required.
- Be consistent in representing the organization's values and vision.

Approvals

- The Board is responsible for reviewing and accepting the draft manual.

Review/Revisions

- Policies and procedures are not static. Develop guidelines to review them regularly.
- If a policy or procedure is not applicable then delete, update or combine,

Education and distribution

- A key component of policies and procedures is making sure people know they exist and how they guide the organization.
- Address how members and volunteers learn about the policies and all updates — particularly in areas that affect them, their programs and their activities.
- Keep the policies and procedures manual current, replacing versions as new ones are developed.

Archiving

- It is important to keep a copy of all versions of the policies. Develop a procedure outlining who is responsible and how the versions will be maintained.

SAMPLE INDEXES

Below are examples of some topics and related policies that may be needed in your organization. This list is not exhaustive as each organization has to tailor them to meet

its needs. This factsheet is focused on volunteer organizations. If your organization has employees then specific polices and procedures will be needed.

Governance Policies

- History
- Contact information for board/employees
- Articles of incorporation/letters patent
- Constitution/bylaws
- Mission, vision and values
- Objectives
- Operating structure
- Roles and responsibilities for offices
- Committee structure and roles
- Strategic plan

Administrative Policies

- Membership
- Access to information
- Record retention/archives
- Conflict of interest
- Communications
- Insurance – third party, bonding, directors and officers
- Meetings – voting, cancellation
- Board/employee relations

Financial Policies

- Accounting methods – reporting
- Assets – inventory, value, disposal
- Audit – level of scrutiny, who, appointment at annual meeting
- Banking – chartered bank/credit union, types of accounts, services required, signing officers, who can deposit, receipt of bank statements
- Budget preparation and management
- Legal requirements – Goods and Services Tax (GST) deductions and remittance, security and retention of financial records
- Expenses – receipts, mileage, meal and parking reimbursement, submitting expenses
- Cash management – cash, reserve fund
- Fund development – recorded, types of activities accepted, receipts, charitable considerations
- Investment – surplus funds, low risk investments, board approval, use of revenue
- Cheque control and safeguard – storage, used in numerical order, void cheques in file, two signatures, expenses paid by cheque, receipts for purchased items, limit of cheque amount without approval
- Contracts – tendering at specific level, board approval, signing authority, file copy storage, changes to contract
- Credit – authorized amount, credit card, acceptable use, payment with receipts, only for organization business

Human Resource Policies

- Positions
- Members and volunteers
- Recruitment of member and volunteers – who is responsible
- Orientation and training of volunteers – who, when, how
- Board of directors
  - recruitment of directors – nominating committee
  - elections
  - orientation and training
  - management – meeting attendance, committee work, participation at events
  - evaluation and recognition of directors
  - dismissal of a director
- Recognition – volunteer descriptions, in what manner, how often
- Board meetings – who can attend
- Dismissal members and volunteers
- Resignation and replacement of directors

Facilities and Property Policies

- Building – use, rentals, access, maintenance, keys, off season,
- Equipment – tables, chairs etc.
- Computer – access, safeguards, storage, record retention
- Property – use, rental, maintenance
- Insurance – type of coverage, review schedule

While developing policies and procedures for volunteer organizations is not easy, having transparent and defendable policies and procedures are an excellent guide to help organizations make good decisions.

POLICY AND PROCEDURE Template

(Information to be included; one per page)

Section	Subject	Page	
Financial Policies	Banking	1 of 13	
Policy number	**Day**	**Month**	**Year**
3.1	04	February	2008

Policy

State the policy

Procedures

1.0

1.1 List the procedures to carry out the policy

1.2

Guidelines for template

Section: *refers to heading in main index*
Subject: *the topic considered*
Page: *page number including the total pages in section*
Date: *approval date of the information by the Board of Directors*
Footer: *at bottom of each page a line that denotes what the document is and the organization to which it belongs*

Page Footer

Board Policy and Procedures Manual
XXX Organization

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